



Saskatchewan  
Finance

# **Annual Report 1999**

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## **Public Employees Deferred Salary Leave Fund**

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Saskatchewan  
Finance

Her Honour, The Honourable Dr. Lynda M. Haverstock  
Lieutenant Governor of the Province of Saskatchewan  
Government House  
4607 Dewdney Avenue  
Regina, Saskatchewan  
S4P 3V7

Dear Madam:

**Letter of Transmittal**

I have the honour to transmit herewith the sixth Annual Report of the Public Employees Deferred Salary Leave Fund for the year ending December 31, 1999.

I have the honour to be, Madam,

Your obedient servant,

Eric Cline  
Minister of Finance



Saskatchewan  
Public Employees  
Benefits Agency

The Honourable Eric Cline  
Minister of Finance  
Regina, Saskatchewan

Sir:

**Letter of Transmittal**

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the sixth Annual Report of the Public Employees Deferred Salary Leave Fund for the year ending December 31, 1999.

Respectively submitted,

A handwritten signature in dark ink, appearing to read "Brian Smith", written over a horizontal line.

Brian Smith  
Executive Director

## INTRODUCTION

The Public Employees Deferred Salary Leave Fund was established on April 4, 1989.

The Fund is used to account for the transactions of the Deferred Salary Leave Plan which allows employees to defer a portion of their salary for a period of twelve to seventy-two months. The deferred salary must then be used in financing a leave of absence for any reason for durations of six to twelve months, subject to the approval of the employer and the terms and conditions of the Plan.

The Fund is registered salary deferral arrangement per regulation 6801 of the *Income Tax Act*.

As at December 31, 1999, participation in the Plan had been approved by the Lieutenant Governor in Council for the following employers:

Judges of the Provincial Court  
New Careers Corporation  
Public Service of Saskatchewan as defined by  
    *The Public Service Act*  
Saskatchewan Power Corporation  
Saskatchewan Property Management  
    Corporation  
Saskatchewan Telecommunications Holding  
    Corporation  
Saskatchewan Legal Aid Commission  
Saskatchewan Water Corporation

## OPERATION OF THE PLAN

### Administration

The Plan is managed by the Public Employees Benefits Agency (PEBA).

Royal Trust Corporation of Canada administers the Plan.

### Funding

Funding for the Fund is totally employee paid through salary deferrals. The portion of salary deferred is held in trust by the Fund. Accounts are maintained for each participating employee with interest and administrative fees allocated accordingly.

## Participation Experience

	<u>1999</u>	<u>1998</u>
# employees participating at December 31	118	101
Deferrals/withdrawals completed during year	24	32

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## MANAGEMENT'S REPORT

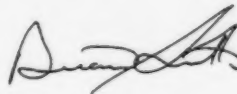
To the Members of the Legislative Assembly of Saskatchewan

As members of management of the Public Employees Deferred Salary Leave Fund, we are responsible for the preparation and presentation of the following financial statements in accordance with the generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

We believe the Public Employees Deferred Salary Leave Fund has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with generally accepted accounting principles.

We enclose the financial statements of the Public Employees Deferred Salary Leave Fund for the year ended December 31, 1999 and the Provincial Auditor's report on these financial statements.



Brian Smith  
Executive Director  
Public Employees Benefits Agency



Perry Bahr  
Director, Benefit Programs  
Public Employees Benefits Agency

Regina, Saskatchewan  
January 26, 2000



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**PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 1999**



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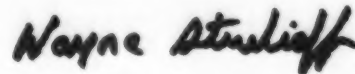
## AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Public Employees Deferred Salary Leave Fund as at December 31, 1999 and the statement of changes in net assets available for benefits for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Fund as at December 31, 1999 and the changes in net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.



Regina, Saskatchewan  
January 26, 2000

Wayne Strelieff, C.A.  
Provincial Auditor

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**PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

**STATEMENT 1**

**AS AT DECEMBER 31**

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Investments (Note 3)	\$1,913,573	\$1,561,080
Contributions receivable	<u>-</u>	<u>402</u>
Total assets	<u>\$1,913,573</u>	<u>\$1,561,482</u>
 NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	 <u>\$1,913,573</u>	 <u>\$1,561,482</u>

(See accompanying notes to the financial statements)

**PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

**STATEMENT 2**

**YEAR ENDED DECEMBER 31**

	<b>1999</b>		<b>1998</b>
	<b>Budget (Note 5)</b>	<b>Actual</b>	<b>Actual</b>
<b>INCREASE IN ASSETS</b>			
Contributions	\$ 800,000	\$ 982,469	\$ 745,268
Interest	<u>90,000</u>	<u>86,390</u>	<u>78,898</u>
Total increase in assets	<u>890,000</u>	<u>1,068,859</u>	<u>824,166</u>
<b>DECREASE IN ASSETS</b>			
Redemptions	700,000	630,378	888,187
Interest (Note 3)	90,000	83,726	74,285
Service fees	3,000	2,664	2,697
Revolving fund administration	<u>4,750</u>	<u>-</u>	<u>-</u>
Total decrease in assets	<u>797,750</u>	<u>716,768</u>	<u>965,169</u>
Increase (decrease) in fund balance	92,250	352,091	(141,003)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR (Note 3)	<u>1,487,485</u>	<u>1,561,482</u>	<u>1,702,485</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR (Statement 1)	<u>\$1,579,735</u>	<u>\$1,913,573</u>	<u>\$1,561,482</u>

(See accompanying notes to the financial statements)

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## **PUBLIC EMPLOYEES DEFERRED SALARY LEAVE FUND NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 1999**

### **1. Description of Fund**

The Public Employees Deferred Salary Leave Fund is used to account for the transactions of the Public Employees Deferred Salary Leave Plan. This Plan was established on April 4, 1989 and continues under subsection 64(2) of *The Financial Administration Act, 1993*.

The Plan is managed by the Public Employees Benefits Agency (PEBA). The Plan allows participating employees to defer a portion of their salary for a period of twelve to seventy-two months. The deferred salary must then be used in financing a leave of absence for any reason for durations of six to twelve months, subject to the approval of the employer and the terms and conditions of the Plan.

Plan participants are employees of certain members of the public service of the Province of Saskatchewan and other Saskatchewan Crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council. This includes: the Public Service of Saskatchewan as defined by *The Public Service Act*, New Careers Corporation, Judges of the Provincial Court, Saskatchewan Legal Aid Commission, Saskatchewan Power Corporation, Saskatchewan Property Management Corporation, Saskatchewan Telecommunications Holding Corporation and Saskatchewan Water Corporation.

The Plan is a registered salary deferral arrangement under regulation 6801 of the *Income Tax Act*. The Plan is administered under the terms of an agreement with Royal Trust Corporation of Canada (Royal Trust).

### **2. Significant Accounting Policies**

These financial statements are prepared in accordance with generally accepted accounting principles. The following accounting policies are considered significant.

#### **a) Accrual Basis**

The financial statements are prepared on the accrual basis of accounting.

### **3. Investments**

The portion of salary deferred is held in investment accounts maintained for each participating employee. Interest is allocated to individual member accounts based on the weighted average of the interest rates the bank pays for GIC deposits which is 5.09% for 1999. Each plan participant is also charged a service fee. On December 31, interest for the year is paid to each participating employee.

Fair value approximates the market value of investments.

### **4. Contributions Receivable**

Contributions receivable are non-interest bearing and are due within the next year. Due to this short-term maturity, the fair value of these receivables approximates the carrying value.

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**5. Budget**

The Fund submitted the 1999 budget to Treasury Board.

**6. Uncertainty due to the Year 2000 Issue**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using the year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.